
HOUSE BILL 1449

State of Washington 60th Legislature 2007 Regular Session

By Representatives Condotta, Armstrong, Curtis, Orcutt and Dunn

Read first time 01/19/2007. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to independent auditor reports and financial
2 statements of licensees regulated by the gambling commission;
3 reenacting and amending RCW 42.56.270 and 42.56.270; creating a new
4 section; providing an effective date; providing an expiration date; and
5 declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c
8 338 s 5, 2006 c 302 s 12, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c
9 171 s 8 are each reenacted and amended to read as follows:

10 The following financial, commercial, and proprietary information is
11 exempt from disclosure under this chapter:

12 (1) Valuable formulae, designs, drawings, computer source code or
13 object code, and research data obtained by any agency within five years
14 of the request for disclosure when disclosure would produce private
15 gain and public loss;

16 (2) Financial information supplied by or on behalf of a person,
17 firm, or corporation for the purpose of qualifying to submit a bid or
18 proposal for (a) a ferry system construction or repair contract as

1 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
2 or improvement as required by RCW 47.28.070;

3 (3) Financial and commercial information and records supplied by
4 private persons pertaining to export services provided under chapters
5 43.163 and 53.31 RCW, and by persons pertaining to export projects
6 under RCW 43.23.035;

7 (4) Financial and commercial information and records supplied by
8 businesses or individuals during application for loans or program
9 services provided by chapters 15.110, 43.163, 43.160, 43.330, and
10 43.168 RCW, or during application for economic development loans or
11 program services provided by any local agency;

12 (5) Financial information, business plans, examination reports, and
13 any information produced or obtained in evaluating or examining a
14 business and industrial development corporation organized or seeking
15 certification under chapter 31.24 RCW;

16 (6) Financial and commercial information supplied to the state
17 investment board by any person when the information relates to the
18 investment of public trust or retirement funds and when disclosure
19 would result in loss to such funds or in private loss to the providers
20 of this information;

21 (7) Financial and valuable trade information under RCW 51.36.120;

22 (8) Financial, commercial, operations, and technical and research
23 information and data submitted to or obtained by the clean Washington
24 center in applications for, or delivery of, program services under
25 chapter 70.95H RCW;

26 (9) Financial and commercial information requested by the public
27 stadium authority from any person or organization that leases or uses
28 the stadium and exhibition center as defined in RCW 36.102.010;

29 (10)(a) Financial information, including but not limited to account
30 numbers and values, and other identification numbers supplied by or on
31 behalf of a person, firm, corporation, limited liability company,
32 partnership, or other entity related to an application for a horse
33 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
34 license, gambling license, or lottery retail license;

35 (b) Independent auditors' reports and financial statements of
36 licensees required by the gambling commission; however when the
37 gambling commission receives a request for disclosure of an independent

1 auditor's report and financial statements, the commission shall notify
2 the person who is the subject of the audit and the commission may
3 release the records only if the person consents to the release;

4 (c) Financial or proprietary information supplied to the liquor
5 control board including the amount of beer or wine sold by a domestic
6 winery, brewery, microbrewery, or certificate of approval holder under
7 RCW 66.24.206(1) or 66.24.270(2)(a) and including the amount of beer or
8 wine purchased by a retail licensee in connection with a retail
9 licensee's obligation under RCW 66.24.210 or 66.24.290, for receipt of
10 shipments of beer or wine((-));

11 (11) Proprietary data, trade secrets, or other information that
12 relates to: (a) A vendor's unique methods of conducting business; (b)
13 data unique to the product or services of the vendor; or (c)
14 determining prices or rates to be charged for services, submitted by
15 any vendor to the department of social and health services for purposes
16 of the development, acquisition, or implementation of state purchased
17 health care as defined in RCW 41.05.011;

18 (12)(a) When supplied to and in the records of the department of
19 community, trade, and economic development:

20 (i) Financial and proprietary information collected from any person
21 and provided to the department of community, trade, and economic
22 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

23 (ii) Financial or proprietary information collected from any person
24 and provided to the department of community, trade, and economic
25 development or the office of the governor in connection with the
26 siting, recruitment, expansion, retention, or relocation of that
27 person's business and until a siting decision is made, identifying
28 information of any person supplying information under this subsection
29 and the locations being considered for siting, relocation, or expansion
30 of a business;

31 (b) When developed by the department of community, trade, and
32 economic development based on information as described in (a)(i) of
33 this subsection, any work product is not exempt from disclosure;

34 (c) For the purposes of this subsection, "siting decision" means
35 the decision to acquire or not to acquire a site;

36 (d) If there is no written contact for a period of sixty days to
37 the department of community, trade, and economic development from a

1 person connected with siting, recruitment, expansion, retention, or
2 relocation of that person's business, information described in (a)(ii)
3 of this subsection will be available to the public under this chapter;

4 (13) Financial and proprietary information submitted to or obtained
5 by the department of ecology or the authority created under chapter
6 70.95N RCW to implement chapter 70.95N RCW;

7 (14) Financial, commercial, operations, and technical and research
8 information and data submitted to or obtained by the life sciences
9 discovery fund authority in applications for, or delivery of, grants
10 under chapter 43.350 RCW, to the extent that such information, if
11 revealed, would reasonably be expected to result in private loss to the
12 providers of this information;

13 (15) Financial and commercial information provided as evidence to
14 the department of licensing as required by RCW 19.112.110 or
15 19.112.120, except information disclosed in aggregate form that does
16 not permit the identification of information related to individual fuel
17 licensees;

18 (16) Any production records, mineral assessments, and trade secrets
19 submitted by a permit holder, mine operator, or landowner to the
20 department of natural resources under RCW 78.44.085; and

21 (17)(a) Farm plans developed by conservation districts, unless
22 permission to release the farm plan is granted by the landowner or
23 operator who requested the plan, or the farm plan is used for the
24 application or issuance of a permit.

25 (b) Farm plans developed under chapter 90.48 RCW and not under the
26 federal clean water act, 33 U.S.C. Sec. 1251 are subject to RCW
27 42.56.610 and 90.64.190.

28 **Sec. 2.** RCW 42.56.270 and 2006 c 369 s 2, 2006 c 341 s 6, 2006 c
29 338 s 5, 2006 c 209 s 7, 2006 c 183 s 37, and 2006 c 171 s 8 are each
30 reenacted and amended to read as follows:

31 The following financial, commercial, and proprietary information is
32 exempt from disclosure under this chapter:

33 (1) Valuable formulae, designs, drawings, computer source code or
34 object code, and research data obtained by any agency within five years
35 of the request for disclosure when disclosure would produce private
36 gain and public loss;

1 (2) Financial information supplied by or on behalf of a person,
2 firm, or corporation for the purpose of qualifying to submit a bid or
3 proposal for (a) a ferry system construction or repair contract as
4 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
5 or improvement as required by RCW 47.28.070;

6 (3) Financial and commercial information and records supplied by
7 private persons pertaining to export services provided under chapters
8 43.163 and 53.31 RCW, and by persons pertaining to export projects
9 under RCW 43.23.035;

10 (4) Financial and commercial information and records supplied by
11 businesses or individuals during application for loans or program
12 services provided by chapters 15.110, 43.163, 43.160, 43.330, and
13 43.168 RCW, or during application for economic development loans or
14 program services provided by any local agency;

15 (5) Financial information, business plans, examination reports, and
16 any information produced or obtained in evaluating or examining a
17 business and industrial development corporation organized or seeking
18 certification under chapter 31.24 RCW;

19 (6) Financial and commercial information supplied to the state
20 investment board by any person when the information relates to the
21 investment of public trust or retirement funds and when disclosure
22 would result in loss to such funds or in private loss to the providers
23 of this information;

24 (7) Financial and valuable trade information under RCW 51.36.120;

25 (8) Financial, commercial, operations, and technical and research
26 information and data submitted to or obtained by the clean Washington
27 center in applications for, or delivery of, program services under
28 chapter 70.95H RCW;

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31 the stadium and exhibition center as defined in RCW 36.102.010;

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35 partnership, or other entity related to an application for a horse
36 racing license submitted pursuant to RCW 67.16.260(1)(b), liquor
37 license, gambling license, or lottery retail license;

1 (b) Independent auditors' reports and financial statements of
2 licensees required by the gambling commission, however when the
3 gambling commission receives a request for disclosure of an independent
4 auditor's report and financial statements, the commission shall notify
5 the person who is the subject of the audit and the commission may
6 release the records only if the person consents to the release;

7 (11) Proprietary data, trade secrets, or other information that
8 relates to: (a) A vendor's unique methods of conducting business; (b)
9 data unique to the product or services of the vendor; or (c)
10 determining prices or rates to be charged for services, submitted by
11 any vendor to the department of social and health services for purposes
12 of the development, acquisition, or implementation of state purchased
13 health care as defined in RCW 41.05.011;

14 (12)(a) When supplied to and in the records of the department of
15 community, trade, and economic development:

16 (i) Financial and proprietary information collected from any person
17 and provided to the department of community, trade, and economic
18 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

19 (ii) Financial or proprietary information collected from any person
20 and provided to the department of community, trade, and economic
21 development or the office of the governor in connection with the
22 siting, recruitment, expansion, retention, or relocation of that
23 person's business and until a siting decision is made, identifying
24 information of any person supplying information under this subsection
25 and the locations being considered for siting, relocation, or expansion
26 of a business;

27 (b) When developed by the department of community, trade, and
28 economic development based on information as described in (a)(i) of
29 this subsection, any work product is not exempt from disclosure;

30 (c) For the purposes of this subsection, "siting decision" means
31 the decision to acquire or not to acquire a site;

32 (d) If there is no written contact for a period of sixty days to
33 the department of community, trade, and economic development from a
34 person connected with siting, recruitment, expansion, retention, or
35 relocation of that person's business, information described in (a)(ii)
36 of this subsection will be available to the public under this chapter;

37 (13) Financial and proprietary information submitted to or obtained

1 by the department of ecology or the authority created under chapter
2 70.95N RCW to implement chapter 70.95N RCW;

3 (14) Financial, commercial, operations, and technical and research
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7 revealed, would reasonably be expected to result in private loss to the
8 providers of this information;

9 (15) Financial and commercial information provided as evidence to
10 the department of licensing as required by RCW 19.112.110 or
11 19.112.120, except information disclosed in aggregate form that does
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18 permission to release the farm plan is granted by the landowner or
19 operator who requested the plan, or the farm plan is used for the
20 application or issuance of a permit.

21 (b) Farm plans developed under chapter 90.48 RCW and not under the
22 federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to
23 RCW 42.56.610 and 90.64.190.

24 NEW SECTION. **Sec. 3.** Section 1 of this act expires June 30, 2008.

25 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect June 30,
26 2008.

27 NEW SECTION. **Sec. 5.** Section 1 of this act is remedial and
28 applies retroactively.

29 NEW SECTION. **Sec. 6.** Sections 1 and 5 of this act are necessary
30 for the immediate preservation of the public peace, health, or safety,
31 or support of the state government and its existing public
32 institutions, and take effect immediately.

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